## "U.S. Foreign Policy Challenges Posed By Iran"

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# Ilan Berman Vice President for Policy American Foreign Policy Council

The Islamic Republic of Iran today presents a series of interlocking challenges to the United States and American policy in the greater Middle East:

#### The Nuclear Challenge

All indicators suggest that Iran is moving quickly toward an offensive nuclear capability. The Islamic Republic currently has all the makings of an ambitious national nuclear endeavor, with close to two dozen nuclear sites, many of them hardened and hidden. The Iranian regime is working diligently on both plutonium conversion and uranium enrichment—the two paths to the atomic bomb. And there is mounting evidence of substantial clandestine development, exemplified by a pattern of diplomatic obfuscation vis-à-vis the IAEA and the "sanitization" of suspect sites prior to inspection.

Politically, Iran's ayatollahs have embraced the "North Korean model." Since President Bush's landmark 2002 "Axis of Evil" address, the Iranian regime has observed the overthrow of Saddam Hussein's regime and the persistence of a newly-nuclear North Korea, and concluded that a nuclear arsenal constitutes a key element of regime stability—and the surest way to "preempt preemption" by the United States.

### The Terrorism Challenge

Since the State Department began keeping formal track of terrorist trends more than a decade and a half ago, Iran has consistently ranked as the world's premier sponsor of terror. Not much has changed since September 11th. Three areas of Iranian state sponsorship should be of particular concern to American policymakers:

Hezbollah – Over the past two years, large-scale missile deliveries from Iran—in collusion with Syria—have substantially expanded the threat posed by Hezbollah to northern Israel, and created the possibility for Tehran to open a "Northern Front" against the Israeli government in the event of a diplomatic or military crisis. Iran has also assisted the group in a geographical expansion of its influence into Africa, the Tri-Border Region in Latin America, and Europe. The result is that, according to some government estimates, the threat from Iran's principal terrorist proxy now equals—or even exceeds—that of al-Qaeda.

Al-Qaeda – By now, the idea that Shi'ite Iran and Sunni al-Qaeda did not and do not cooperate should be definitively disproved. From high-level informants, such as captured al-Qaeda trainer Ali Mohamed, we know that tactical cooperation between the two groups dates back to at least 1994, when Hezbollah's military wing agreed to provide bomb training to al-Qaeda operatives. That partnership is still active; Iran is known to have provided safe haven for elements of al-Qaeda in 2003, and is believed to be continuing its assistance to Abu Musab al-Zarqawi, al-Qaeda's top lieutenant in Iraq, and to elements of Zarqawi's radical Ansar al-Islam terrorist group.

The Israeli-Palestinian conflict — Over the past year-and-a-half, Iran has dramatically expanded its influence over Palestinian terror groups, both directly and via Hezbollah. Earlier this year, Israel's Shin Bet internal security service estimated that Hezbollah directed over 50 separate Palestinian terror cells in 2004—a seven-fold increase since 2002. The implications are clear: the political vacuum in the Palestinian Territories is being filled, both directly and indirectly, by Iran.

### The Challenge in the Persian Gulf

In comparative terms, the War on Terror has made Iran a regional superpower in the Persian Gulf. Since the fall of 2001, the United States has eliminated both Iran's chief ideological competitor, the Taliban in Afghanistan, and its main military adversary, Saddam Hussein's regime in Iraq. Iran's ayatollahs are now solidifying their dominant regional position through:

- *an expansion of defense development and procurement*, fueled by arms suppliers such as Russia, China and North Korea
- *altering the regional strategic balance* by signing bilateral defense accords with the region's smaller, weaker states
- *interference in Iraq*, including support for segments of the Shi'ite insurgency and exerting political influence over sympathetic Shi'ite groups, such as the Supreme Council for the Islamic Revolution in Iraq (SCIRI)

The goal of these initiatives does not appear to be the creation of another "true" Islamic Republic in Iraq. Rather, it is to derail the U.S. democratization project in the region. As Yahya Rahim Safavi, the commander of Iran's clerical army, the *Pasdaran*, told reporters last year: "If [American] strategy fails heavily in Iraq, it will undoubtedly stop. Otherwise it may extend to neighboring countries."

#### The Challenge in Central Asia and the Caucasus

For much of the past decade, Iran has steered clear of the "post-Soviet space" as part of its long-running strategic partnership with Russia. Now, however, there is evidence of new Iranian activism, typified by:

- *expanded outreach to U.S. coalition partners* in an effort to counterbalance and offset the expanded American military presence in the region
- new energy contacts with countries such as Georgia and Ukraine, and a more aggressive military profile in the Caspian Sea
- training regional radicals, such as elements of the al-Qaeda affiliated Islamic Movement of Uzbekistan (IMU)

Over time, these initiatives will have an impact on Central Asia and the Caucasus in a way that will be deeply detrimental to ongoing U.S. operations in Afghanistan and Iraq, and to larger American policy in the War on Terror.

### **American Options**

So far, the United States has confined its focus to only one of these challenges—that of the Iranian nuclear program. Since February 2005, the Bush administration has been engaged through the EU-3 (Great Britain, France and Germany) in nuclear diplomacy with the Islamic Republic. Increasingly, however, it has become clear that even this effort is fundamentally flawed. While the Bush administration has made clear that it "will not tolerate" a nuclear Iran, at least some European officials have endorsed a degree of atomic capability by the Islamic Republic. Moreover, the ultimate recourse of these negotiations, the United Nations Security Council, remains deeply problematic, since two permanent members, Russia and China, continue to serve as important strategic partners of the Islamic Republic.

The fundamental problem facing the United States is that Iran's "nuclear clock" is ticking much faster than its "regime change" clock. Altering that equation—both through initiatives that delay and derail Iran's nuclear ambitions and through those that empower opposition forces inside and outside of the Islamic Republic—should be the starting point for any serious American strategy.

The crucial question, however, remains that of regime character. All the available evidence suggests that in the next several years, Iran will "go nuclear." Whether that nuclear Iran remains a global threat depends entirely on whether the ruling regime in Tehran is still one that considers itself to be at war with the United States and the West.